

**EXHIBIT U**  
TO JOINT STATEMENT OF  
UNDISPUTED FACTS



**UnitedAmerica Insurance Group**

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February 13, 2007

**VIA UPS GROUND**  
**AND U.S. FIRST CLASS MAIL**

Diane Cruz  
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dcruz@unitednat.com

Cirrus Medical Staffing, Inc.  
4651 Charlotte Park Drive  
Suite 400  
Charlotte, NC 28217  
Attn.: Greg Allen

Member Companies  
Penn-America Group

Penn-America  
Insurance Company

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Insurance Company

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United National Group

United National  
Insurance Company<sup>®</sup>

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Insurance Company<sup>®</sup>

United National Specialty  
Insurance Company<sup>®</sup>

United National Casualty  
Insurance Company<sup>®</sup>

<b>Re:</b>	<b>Insured:</b>	<b>Cirrus Allied Health, LLC</b>
	<b>Plaintiff:</b>	<b>Ben Tracy, as Personal Representative of</b>
		<b>The Estate of Marilyn Tracy, Deceased</b>
	<b>Policy #:</b>	<b>AH0000267</b>
	<b>Eff. Dates:</b>	<b>1/27/06 — 1/27/07</b>
	<b>Retro Date:</b>	<b>6/1/02</b>
	<b>File#:</b>	<b>06008669</b>
	<b>Date/Event:</b>	<b>10/7/04</b>
	<b>Date/Report:</b>	<b>3/29/06</b>

Dear Mr. Allen:

**DISCLAIMER OF COVERAGE**

This letter is in response to notice received of a lawsuit filed in the action of *Ben Tracy, as Personal Representative of the Estate of Marilyn Tracy, deceased v. Lovelace Sandia Health Services, d/b/a Albuquerque Regional Medical Center, Cirrus Medical Staffing and Health Resources Network Services, Inc.* pending in the 2K Judicial District, Bernalillo County, New Mexico under docket number CV 2005 07009. This letter is intended to supplement and incorporate all previous correspondence regarding this claim, including my October 6, 2006 letter to you.

As previously indicated, United National reserved the right to reevaluate coverage for this claim. We have reviewed the materials that were submitted, and have determined that there is no coverage under the policy for the claim for at least the reasons discussed below.

Under the insuring agreement, the policy states that the policy will apply only to a claim for damages to which no other insurance applies:

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## SECTION I - PROFESSIONAL LIABILITY COVERAGE

### 1. Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" as a result of a "wrongful act". This insurance applies to injury only if a "claim" for damages to which no other insurance applies, because of the injury is first made against the insured and reported to us during the "policy period". This insurance does not apply to injury caused by a "wrongful act" that takes place outside of the "covered territory" or was committed before the Retroactive Date shown in the Declarations or after the "policy period". . .

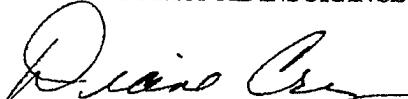
We understand that Fireman's Fund Insurance Company has been handling the defense of this matter under a Health Care Professional Liability claims made policy issued by Interstate Fire & Casualty Company for the period 01/27/2005-01/27/2006. That policy is also a claims made policy that applies to damages for claims first made against the insured and reported to the company during the policy period. The United National policy did not inception until the Interstate Fire & Casualty policy expired on 01/27/2006. Accordingly, pursuant to the terms of the United National policy, there is no coverage for this claim under the United National policy.

United National continues to reserve all of its rights under the policy. United National also reserves the right to reevaluate coverage on any alternative and/or additional basis in the event that factual evidence develops or is presented as relates to you or your practice.

United National remains willing to evaluate any additional facts or relevant legal authority that may bear on coverage. Should you have any questions or concerns regarding any of the above, I can be reached Monday through Friday between the hours of 8:00 am and 4:30 pm. I thank you for your attention to these matters.

Very truly yours,

UNITED NATIONAL INSURANCE COMPANY



Diane Cruz

Senior Professional Liability Examiner